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WRITTEN TESTIMONY

of the

AMERICAN PUBLIC HUMAN SERVICES ASSOCIATION

Submitted to the

Ways and Means Committee

Subcommittee on Human Resources
United States House of Representatives

HEARING ON

Improving Work and Other
Welfare Reform Goals

September 21, 2011

The American Public Human Services Association, its affiliate, the National Association of State TANF Administrators, and the membership that comprises APHSA appreciate the subcommittee holding hearings on reauthorizing the Temporary Assistance for Needy Families block grant. It is vital that this subcommittee ensure that TANF remain a viable tool in the broader human services system focused on improved outcomes for vulnerable children and families.

The American Public Human Services Association is a nonprofit organization whose membership includes the nation's cabinet-level government human service executives from each of the states. APHSA also houses several affiliate organizations, whose members administer program-level operations in each state, including TANF, Child Care, Child Welfare, and Nutrition Assistance. APHSA is a bi-partisan organization, whose ideas and direction come from the open exchange and deliberation of our members.

Overview of Recommendations

APHSA and the National Association of State TANF Administrators (NASTA) urge that the Temporary Assistance for Needy Families program be reauthorized with adequate funding; additional flexibility for states; and a continued emphasis on preparing clients for work, moving clients into employment, and facilitating access to work supports for low-income workers.

The specific recommendations can be framed by four overarching priorities for the reauthorization of TANF:

- Adjust the TANF block grant to reflect current purchasing power and index funding going forward.
- Maintain a focus on work as the expected avenue for most program participants to attain economic security, while providing the necessary ability to tailor work preparation activities in a manner that is often necessary to help stabilize families and most appropriately prepare parents to both enter and maintain employment.
- Enhance TANF's ability to be used flexibly in meeting state plans to carry out the block grant's four purposes, and restore the areas of state flexibility that were weakened by the Deficit Reduction Act.
- Provide a state option to develop additional performance measures over and above the work participation rate (WPR).

The flexibility within the original 1996 TANF block grant legislation allowed states to develop programs to address the self-sufficiency needs of each family on assistance, not just those who may be most ready for full-time employment. The TANF program also provided states the needed flexibility to provide non-

assistance services to low-income families to help avoid the need for assistance and to support work efforts.

Perhaps most importantly, TANF has changed the cultural message of financial assistance for the better, as clients recognize that although a temporary safety net exists, they are ultimately held responsible for acting on their own behalf and on behalf of their children. Public perception of the program has been greatly enhanced by this sense of mutual responsibility and the focus on work for able-bodied recipients. The recommendations included in this report are intended to further advance these efforts.

APHSA's recommendations can be divided into four broad categories:

- Appropriate level of TANF funding;
- Allowable uses of TANF funds;
- Employment services and outcome measures; and
- Special program and population concerns related to TANF.

Level of TANF Funding

The amount of the TANF block grant was established in the 1996 Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) statute based on historical state spending. This amount has not been adjusted to take into account the declining purchasing power of the dollar since that time and the enormous change in the populations served under the block grant. Today, states continue to try to meet current needs with funding fixed at 1996 levels. The work focus under TANF has helped numerous households move to employment and to be better off economically, while the success of caseload reduction has enabled states to make significant investments to help stabilize families in the workforce through such means as child care, transportation, expanded employment services, earnings disregards, and state tax credits that supplement low wages and other critical work supports.

Currently, as caseloads begin again to rise in response to the severe recession, the resultant increased costs of cash assistance payments will have a substantial impact on states' ability to sustain these post-TANF investments for working poor households. Without adequate funding it will be very difficult to sustain this important dual focus of providing a cash safety net and stabilizing other low-income families in employment. It is critical that the level of funding available to states under the TANF block grant be sufficient to reflect current realities and the multiple services and supports the program provides to those on assistance as well as to economically struggling working families. Therefore APHSA recommends that Congress maintain the current level of overall funding for the basic TANF block grant using the

Consumer Price Index (CPI) increase since 1996 and employ reasonable allocation methodologies for new funds.

Use of TANF Funds

TANF began in 1996 as a very flexible state block grant that shifted both expenditure and policy choices to states within a defined level of funding. Over the past several years the program has become more narrowly defined.

Additionally, erosion of the real dollar value of available funds, inflexible restrictions on the allowable uses of TANF funding, and limitations of countable state maintenance-of-effort (MOE) funding have become increasing barriers to states looking to effectively (1) work with a varied caseload on assistance, some of whom have complicated barriers to employment and (2) serve post-TANF households to help them avoid the need to return to TANF. Additionally, a disturbing trend has been the reemergence of a quality control-based (QC) evaluation of TANF (and a related state block grant, child care funds) that was expressly eliminated in favor of measuring work preparation and work participation program outcome measures in the 1996 legislation. This QC approach does not reflect measurement of how well the program's core goals have been achieved and diverts valuable staff resources away from an outcome focus.

The following changes should be included in TANF reauthorization:

- Establish a standardized MOE requirement at 75 percent.
- Restore counting MOE under TANF purposes 3 and 4 without restriction to “eligible families.”
- Oppose establishment of a national error rate for TANF and child care under the Improper Payments Information Act (IPIA).
- Exclude transportation and child care expenditures from the definition of “Assistance.”
- Align Income Eligibility Verification System (IEVS) mandates for TANF with the SNAP program and/or allow alternative verification methods.
- Revise regulatory penalty provisions, thus making the option of appeal more viable for states.

Employment Services, Data Reporting and Penalties

Since enactment of PRWORA, TANF has been a program predicated on employment, but also cognizant of the need for individualized activities that help stabilize families, promote full engagement, and support job retention. It has often been difficult to balance the expectation of work and personal responsibility and the need to provide critical services to families so that children are best served. It is vital that cash

assistance should be underpinned in both good and bad economic cycles by the fundamental goals of employment, job retention, and the provision of TANF work supports for those who can work.

This powerful work message has led to major cultural changes that have effectively helped clients and gained broader acceptance for the program. The Work Participation Rate in TANF is an important measure that should be maintained, but must be tempered with the recognition that many reasonable work preparatory activities are no longer countable as they were prior to the DRA. Additionally, the provision of TANF work supports, which comprise over 60 percent of TANF expenditures, is often not reflected in the basic WPR measurement that states must achieve.

The following changes would be most beneficial for the TANF program going forward:

- Maintain a focus on work in balance with individualized activities that help stabilize families and prepare able bodied adults for employment.
- Restore and enhance state flexibility regarding activities that are countable toward the WPR.
- Maintain the Caseload Reduction Credit (CRC) and Excess MOE credit.
- Establish a pro-rata credit for partial work/hourly participation for all countable hours, including non-core activity hours, with the condition that such credit shall only be granted if at least 10 hours of core activities are satisfied.
- Eliminate the 90 percent two-parent rate and maintain the 50 percent all-families rate.
- Restore the pre-DRA exclusion of families without an aided adult from the WPR calculation.
- Allow states, on a case-by-case basis, to remove cases from the WPR during the month of application and the month following application.
- Expand countable work hours to include activities such as Voc Ed for up to 24 months; Job Search/Job Readiness training for longer periods of time; and ESL as Job Readiness training.
- Exclude teens and low-income working families from the 30 percent cap on countable vocational education activities.
- Establish additional performance measures for employment wages and job retention and provide states the option to utilize alternative performance measures to mitigate WPR penalties.
- Add language requiring that the Administration for Children and Families (ACF) must negotiate with states to waive penalties for failing to meet the WPR for the current recessionary period of

FYs 2008–2010, if the failure is clearly attributable to the economic environment and/or the state’s status as a “needy state.”

- Modify work verification plan requirements and related penalties.

Related Population and Policy Considerations

As a state block grant with a broad mission outlined by the program’s four purposes, TANF touches many of the other human service programs. Some additional recommendations of related concern include the following:

- Establish TANF law that would encourage collaboration and give states the option to share basic information between TANF and child welfare agencies.
- Enact child support reforms including restoration of federal 66 percent match for reinvested child support incentive funds; encouraging “family first” distribution of child support at state option; providing temporary 90 percent FFP in child support for automated systems upgrades; and eliminating the assessment of child support penalties to TANF.
- Enhance responsible fatherhood programs and employment training programs for low-income non-custodial parents.
- Continue to address avenues to prevent teen pregnancy.

Conclusion

APHSA is pleased the Ways and Means Committee has reported a bill, HR 2943, to extend the TANF authorization until December 31, 2011. In doing so, the Committee has ensured the aforementioned issues can be fully discussed and addressed. APHSA offers its expertise and experience as the Committee drafts a more permanent reauthorization of this vital program.